

ORIGINAL
BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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SPECIAL SERVICES FEES
AND CLASSIFICATIONS

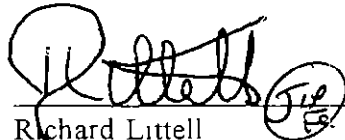
Docket No. MC96-3
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

**NOTICE OF MAJOR MAILERS ASSOCIATION OF FILING
OF LIBRARY REFERENCE MMA-LR-1**

Major Mailers Association hereby gives notice that it is filing today the following
library reference:

MMA-LR-1: Apportionment of "Attributable" and "Institutional" Costs Using the
PRC and USPS Attributable Cost Methodologies for BY 1995 in Docket
No MC96-3

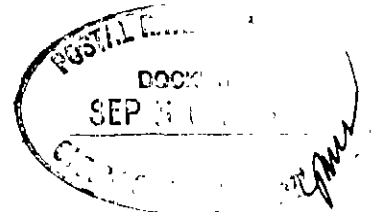
Respectfully submitted,


Richard Littell

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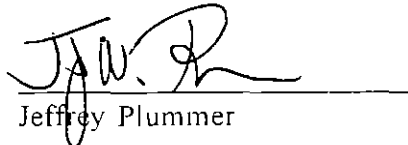
September 30, 1996

Counsel for MMA



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document, by First-Class
Mail, upon the participants in this proceeding


Jeffrey Plummer

September 30, 1996

MMA-LR-1

Apportionment of “Attributable” and “Institutional” Costs Using
the PRC and USPS Attributable Cost Methodologies
for BY 1995 in Docket No. MC96-3

Sponsored by:
Richard E. Bentley

On Behalf of:
Major Mailers Association

September 30, 1996

Docket No. MC96-3

Apportionment of "Attributable" and "Institutional" Costs Using the PRC and USPS Attributable
Cost Methodologies for BY 1995 in Docket No. MC96-3

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(\$000)

		Ratio of							
Line	Methodology	First-Class Letters	Third-Class BRR	Other Subclasses and Services	Total	First-Class to Third-Class			
		1	2	3	4	5			
(Col 1 / Col 2)									
<u>Commission Method:</u>									
1	Additional Attributable Costs	\$536,241	1/	\$386,152	1/	\$146,286	1/	\$1,068,679	1.39
<u>USPS Method:</u>									
2	Apportioned As Institutional Costs	\$665,483	2/	\$211,605	2/	\$191,592	2/	\$1,068,679	3.14
3	Difference Due To Method	(\$129,242)	3/	\$174,547	3/	(\$45,306)	3/	\$0	
4	% Difference Due To Method	124%	4/	55%	4/	131%	4/	100%	

Conclusions: For every additional dollar of cost that the PRC's methodology attributes to First Class, the USPS assigns \$1.24 of institutional cost to First Class. For every additional dollar of cost that the PRC's methodology attributes to third class, the USPS assigns \$.55 of institutional cost to third class. For every additional dollar of cost that the PRC's methodology attributes to all other subclasses and services, the USPS assigns \$1.31 of institutional cost to those subclasses and services.

- 1/ Page 2, Col 3
- 2/ Apportionment Factor from Page 2, Col 8 * \$1,068,679
- 3/ Line 1 - Line 2
- 4/ Line 2 / Line 1

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Line	Subclass	USPS Attrib Costs	PRC Attrib Costs2/	Difference Attrib Costs	PRC Attrib Cost Factor
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	1	2	3	4
1 First Class Letters	\$17,856,472	\$18,392,713	\$536,241	50.18%
2 Third Class BRR	\$6,145,129	\$6,531,281	\$386,152	36.13%
3 All Other	\$9,687,755	\$9,834,041	\$146,286	13.69%
4 Grand Total	\$33,689,356	\$34,758,035	\$1,068,679	100.00%

(Col 2 - Col 1)

(Col 3 / 1,068,679)

Subclass	USPS	USPS	USPS	USPS
	Attrib Costs	Rev Target	Cost Burden	Apportionment Factor
	5	6	7	8

5	First Class Letters	\$17,856,472	1/	\$30,821,411	4/	\$12,964,939	62.27%
6	Third Class BRR	\$6,145,129	1/	\$10,267,615	4/	\$4,122,486	19.80%
7	All Other	\$9,687,755	2/	\$13,420,347	2/	\$3,732,592	17.93%
8	Grand Total	\$33,689,356	1/	\$54,509,373	4/	\$20,820,017	100.00%

2/ Grand Total less (First-Class Letters + Third Class BRR)

3/ Library Reference PRC-LR-2, Matrix by 951 p. 1r. Page 50

4/ USPS Witness Petalunas' Workpaper WP-A, pages 129-130